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Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the themes of the Conference

Report of the Secretary-General

Summary

The concept of sustainable development is like a bridge. It seeks to bring together not only the three domains — economic, social and environmental — but also developed and developing countries, Governments, businesses and civil society, scientific knowledge and public policy, the city and the countryside, and present and future generations. It has also created the awareness that the environment and development are not two separate agendas, but two faces of the same agenda. Development is the midwife of sustainability, just as sustainability is the life support system for development. At its advent over two decades ago, this idea offered tremendous excitement and hope. The time has come not only to review and assess what has been achieved on the basis of this vision, but also to build upon it and revive its promise of integration, unity and aspiration: the "spirit of Rio".

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This report is submitted to support the first session of the Preparatory Committee for the United Nations Conference on Sustainable Development, authorized by the General Assembly in its resolution 64/236. In accordance with that resolution, the report provides an assessment of the progress and gaps in implementation of sustainable development decisions since 1992, as well as a review of the two themes of the Conference, namely the green economy in the context of sustainable development and poverty eradication, and the institutional framework for sustainable development.

The assessment of progress is based on four mutually complementary yardsticks:

(a) *Separate*. Some progress has occurred in each of the three dimensions — economic development, environmental protection and social development — but there are important gaps;

(b) *Joint*. There is evidence of progress towards convergence between the economic and social pillars, but evidence of convergence between those pillars and the environmental pillar is far more limited and the overall picture is one of divergence; progress to date is also threatened by the series of crises that affected the global economy starting in 2008;

(c) *Commitments*. There are indications of progress on the fulfilment of some of the commitments made by Governments and other stakeholders at major global summits, including integrated policy and strategy development, institutional development and international cooperation in financing, technology transfer and capacity-building; however, many commitments have not been actualized in practice, and there is evidence of fragmentation of policies and actions;

(d) *Contextual*. Situating recent trends within the longer term context, the emerging crises have imbued a sense of urgency to environmental and developmental objectives.

The analysis of the two themes of the Conference is based on the existing literature and on the contributions of Member States, major groups and United Nations entities.

The green economy approach is an attempt to unite under one banner a broad suite of economic instruments relevant to sustainable development. The report sets out the history of the concept, the contributions and conceptual frameworks of various organizations, and a set of questions on which further work is needed, especially in order to make the approach relevant to sustainable development and poverty eradication.

The report also provides a broad picture of the institutions for sustainable development that have been established so far, with a special focus on the Commission on Sustainable Development and the United Nations Environment Programme in the context of the international environmental governance process. It identifies the key functions that need to be kept in mind when considering alternative proposals for the strengthening, support and reform of existing institutions or the creation of new ones.

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I. Introduction

1. In General Assembly resolution 64/236 (para. 20), Member States called for a United Nations Conference on Sustainable Development to be organized "at the highest possible level" in 2012, with three objectives, namely, securing renewed political commitment for sustainable development, assessing the progress to date and remaining gaps in implementation of the outcomes of the major summits on sustainable development, and addressing new and emerging challenges. To that end Member States decided that the Conference would "result in a focused political document". The resolution stipulates two specific themes for the Conference:

(a) A green economy in the context of sustainable development and poverty eradication;

(b) The institutional framework for sustainable development.

2. In terms of process (see A/CONF.216/PC/3 and A/CONF.216/PC/4), the resolution calls for three Preparatory Committee meetings, lasting a total of eight days between 2010 and 2012, and requests the Secretary-General, in preparation for the first meeting, to submit a report on progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development, as well as an analysis of the two Conference themes.

II. Overview

3. The expectations for the United Nations Conference on Sustainable Development, especially the call of the General Assembly for a renewed political commitment to sustainable development, are guided by the history of international agreements on the subject, especially the broadly shared and long-standing consensus over a vision of shared prosperity within the carrying capacity of the Earth's ecosystems. While the conceptual framework has a longer history and pedigree, the term sustainable development — and its definition as development that meets the needs of the present without compromising the ability of future generations to meet their own needs — was fixed in public policy discourse and the popular imagination by the Brundtland report in 1987.[1] That report laid the groundwork for the promise of the Rio Declaration on Environment and Development[2] adopted at the United Nations Conference on Environment and Development in 1992 to provide for healthy and fulfilling lives for the current generation, while entrusting to future generations the means to do the same.

4. As the international community prepares for the twentieth anniversary of the United Nations Conference on Environment and Development and the twenty-fifth anniversary of the Brundtland report, this is a time for reflection on what has been achieved and what has been left undone by the past generation. The "interlocking crises" of the Brundtland report (energy, development and the environment) are still with us, though in more advanced forms, and a few more have been added: food

[1] Report of the World Commission on Environment and Development: "Our Common Future" (A/42/427, annex).

[2] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992*, vol. I, *Resolutions Adopted by the Conference* (United Nations publication, Sales No. E.93.I.8 and corrigendum, resolution 1, annex I).

security, climate change, the global economic crisis, and poverty and the Millennium Development Goals. These crises are interlinked and call for a sustainable development perspective.

5. In practical terms, the consensus on sustainable development calls for international cooperation and national leadership to achieve a convergence between the three pillars of sustainable development — economic development, social development and environmental protection — in particular by accelerating the upward convergence in living standards around the globe and bringing about a swift downward convergence of environmental impacts.

6. The assessment presented in this report is situated firmly within this vision. It focuses not simply on the three individual pillars, but on the convergence between them. It examines not only outcomes, but also coherence among national and international policies and institutional structures. This focus on integration, coherence and convergence is consistent with the views of Member States in their submissions on the desirability of holding the United Nations Conference on Sustainable Development; many States used the terms "coherence" or "integration" to refer to the value added by sustainable development.

7. The report uses this assessment to review the state of the art on the issues outlined in the General Assembly resolution: the impact of emerging challenges; the potential role of the green economy for sustainable development and poverty eradication; and institutions for sustainable development.

III. State of implementation and remaining gaps

8. The assessment contained in the present report offers four yardsticks to measure progress on sustainable development since 1992: "separate", i.e., changes in indicators of each of the three dimensions of sustainable development; "joint", i.e., movement towards convergence between these dimensions; "commitments", i.e., fulfilment of international and national commitments; and "contextual", i.e., progress in comparison with the longer term challenge.

9. Traditionally, assessment of progress towards sustainable development has followed the structure of the chapters of Agenda 21,[3] which corresponds broadly with the three pillars of sustainable development. The website of the Division for Sustainable Development (www.un.org/esa/dsd) of the Department of Economic and Social Affairs of the Secretariat maintains a continuously updated matrix that charts global progress in terms of key indicators under each chapter of Agenda 21. On poverty and the social pillar in particular, information on Millennium Development Goals indicators has been tracked since 1990 and is described in detail in the report of the Secretary-General for the high-level plenary meeting of the General Assembly on the Millennium Development Goals in September 2010 (A/64/665).

A. Progress on the three pillars

10. Overall, the trends are mixed. While progress has been made on the economic front and in the amelioration of poverty in some regions, the dividends have been

[3] Ibid., annex II.

unequally shared between and within countries, many countries are not on track for achieving key Millennium Development Goals, and most of the environmental indicators have continued to deteriorate.

Economic

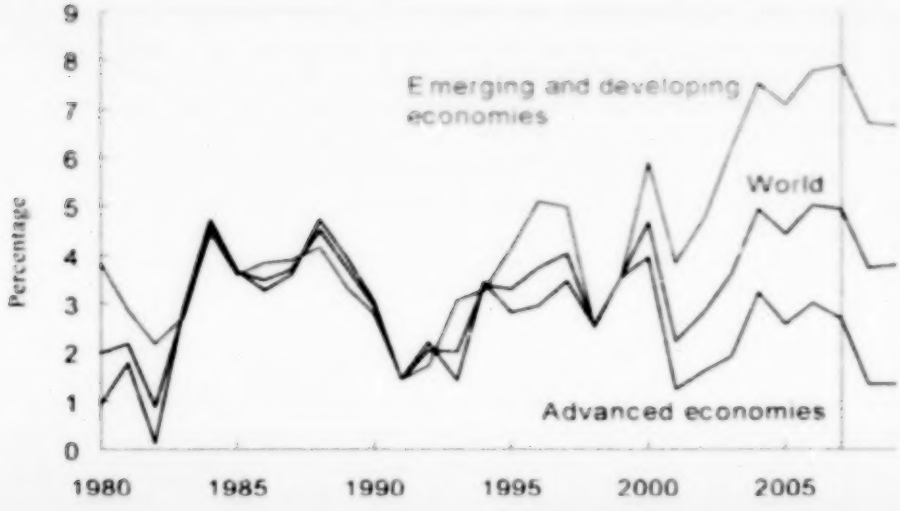
11. On the positive side is the acceleration of economic growth in developing and emerging economies since the mid-1990s (see figure), especially in several large developing countries that cover the majority of the world's population. But this pattern is far from universal. Sub-Saharan Africa has fallen further behind the other regions in terms of per capita income, and the growth momentum also remains slow in other least developed countries, landlocked countries and small island developing States. The ongoing global economic crisis has substantially slowed growth in many developing countries, although the robust growth of key emerging economies has prevented an even deeper global recession.

12. The growth momentum has been especially notable in East Asian countries, and its contributory factors have been debated extensively in the professional literature. A recent review[4] traces this success to strong and competent State institutions that were able to channel investment into critical infrastructure and research and development, create a conducive policy environment for entrepreneurship, promote high savings and investment, including in education, and stimulate exports, as well as integrate into international markets.

Figure

World economic growth

Annual change (per cent)



Source: International Monetary Fund, World Economic Outlook Database, April 2008.

[4] See, for example, Joseph E. Stiglitz and Shahid Yusuf, eds., *Rethinking the East Asian Miracle* (Washington, D.C., World Bank; New York, Oxford University Press, 2001).

13. Notwithstanding the recent increase in the growth rate, the remaining challenge continues to be significant. Per capita income levels, which are closely correlated with the achievement of human development goals, reveal a huge disparity around the world. Countries with high human development, mainly industrialized countries, have per capita incomes of $40,000 or more. The least developed countries, especially in sub-Saharan Africa, have less than $1,000 per capita. In between, there is growing disparity. Some of the faster developing countries (mainly in Latin America, but including, for example, Malaysia, South Africa and Turkey) and countries with economies in transition have reached levels of per capita income of between $5,000 and $10,000. The two most populous economies, China and India, are one step behind, at $3,000 and $1,000 respectively. A unique situation is the Republic of Korea, which with a per capita income level of $20,000 is rapidly moving into the league of developed economies. Even at conservative estimates, income levels in the poorest nations will need to increase by a factor of 20 or more in order to achieve adequate human development, while those of the broad range of countries in between may need to increase five or tenfold. Even at the heady growth rates experienced by China and some other emerging economies in recent years, it will take at least a generation for the middle-income countries to accomplish this task, and much more for the poorest countries.

14. In the meantime, questions have begun to emerge as to whether the recent economic crisis heralds an end to the period of rapid growth in emerging economies, whether resource constraints will become binding too fast to be able to complete the development transition, whether the international commitment to development goals will be sustained despite the pressures of the economic crisis or the resource crisis, and whether the benefits of faster growth can be distributed more equitably within countries. All these questions constitute, in brief, the challenge of sustainable development, and therefore the challenge for the United Nations Conference on Sustainable Development.

Social

15. The acceleration of growth has contributed positively to social indicators and Millennium Development Goals in the faster growing economies. However, progress is uneven across countries, regions and key indicators, and even the limited progress has been set back in many places by the recent multiple and interlocking crises. Of the 84 countries (out of 144) with available data on Millennium Development Goals, only 45 are on track to meet the poverty reduction target. The rest, including 75 per cent of African countries and 10 out of 12 fragile States, are not.[5] On the remaining targets as well, sub-Saharan Africa shows progress that is too slow, no progress or deterioration across the range of Millennium Development Goal targets. Limited progress or deterioration is also commonplace in Oceania and Western Asia, though on many indicators the starting point was more favourable than it was for sub-Saharan Africa.

16. In the *Report on the World Social Situation 2010: Rethinking Poverty*,[6] the Department of Economic and Social Affairs describes the situation regarding

[5] World Bank, *Global Monitoring Report 2009: A Developing Emergency* (Washington, D.C., 2009), see annex, Monitoring the MDGs: selected indicators, Eradicate extreme poverty and hunger, figure 2.

[6] United Nations publication, Sales No. E.09.IV.10.

income poverty in 2005 (below $1.25 per day per person) and the differences between countries in reducing it. Poverty remains an enormous problem in sub-Saharan Africa and South Asia, where 50.9 and 40.3 per cent of the population respectively were poor by this measure. In 1990, East Asia and the Pacific had similar poverty rates as these regions, but had reduced it to 16.8 by 2005, far exceeding the Millennium Development Goal target. Similar disparity between regions is also evident on other key indicators. For example, although there is some convergence in primary school enrolment, progress has been slow in sub-Saharan Africa and South Asia on secondary enrolment and removal of genders disparities.[7] Similarly, while there have been significant achievements in some health indicators (especially in measles vaccination and improvement in the fight against malaria),[8] other indicators show uneven and unacceptable trends. Maternal and child health care has deteriorated in HIV/AIDS afflicted areas, under-5 mortality rates remain unacceptably high, life expectancy has declined by a year or more since 1990 in 15 countries (11 in sub-Saharan Africa) overwhelmingly because of HIV/AIDS, and the maternal mortality indicator continues to show the largest gap between rich and poor, both between and within countries.[9]

17. The magnitude of the remaining challenges cannot be overemphasized. Deep poverty and malnutrition not only are still widespread, they have increased with the recent crises, highlighting the fragility of the successes achieved so far. One billion persons are still undernourished. Unemployment and underemployment remain the reality for a large fraction, sometimes the majority, of the population in developing countries. In many countries, social safety nets remain elusive for workers in the informal sector and for poor families. In times of crises, developing countries have been hard pressed to develop or maintain social protection systems because of the lack of fiscal space, which has prevented them from adopting stimulus packages like those in developed countries.[10]

18. The critical role of modern energy services in advancing progress towards sustainable development and the Millennium Development Goals is becoming more widely appreciated. There is an opportunity for the international community to support developing countries in a swift modern energy transition centred on low-carbon energy sources. Renewable energy technologies have a large untapped potential and provide an effective means to satisfy decentralized and remote electricity demand. Effective deployment and transfer of renewable technologies, however, will require global private and public cooperation to scale up investments and drive down costs. As renewable electricity is still too expensive for most consumers in developing countries, international financial support will be crucial during the transition to cost parity.

Environmental

19. The environmental pillar is perhaps where progress has been the slowest, though the picture here too is mixed. Per capita use of resources as well as fossil

[7] World Bank, World Development Indicators 2009.

[8] World Health Organization, *World Malaria Report 2008*.

[9] Anne Case and Christina Paxson, "The impact of the AIDS pandemic on health services in Africa: evidence from demographic health surveys", Research Program in Development Studies and Center for Health and Wellbeing, Princeton University, March 2009.

[10] See United Nations, Department of Economic and Social Affairs, "A global green new deal for sustainable development", Policy Brief No. 12 (March 2009).

energy, and consequently greenhouse gas emissions, remain stubbornly high in developed countries, at several multiples of those in developing countries. In the fast growing developing countries, while per capita use is still low, rapid industrial development, urbanization and expansion of the middle class has exacerbated local environmental problems of pollution, waste and congestion. At the same time, these countries have seen improvement in other local environmental indicators such as access to clean water and sanitation; even in these, progress is still too slow in rural South Asia and sub-Saharan Africa. Globally, the pressure on ecosystems continues to increase, and loss of forests and biodiversity has continued, albeit at a decelerating rate. A recent scientific study suggests that the safe boundary may already have been exceeded in three areas: ecosystems, climate change and the nitrogen cycle.[11]

20. Although it is widely accepted that a rich mix of species underpins the resilience of ecosystems, little is known quantitatively about how much and what kinds of biodiversity can be lost before this resilience is eroded. In the absence of this information, scientific advice focuses on the rate of extinction and impact on poverty. The rate of species loss is estimated to be between 100 and 1,000 times what is considered to be natural, which may be between 10 and 100 times above the safe threshold. The International Union for the Conservation of Nature Red List indicates that 17,291 species out of 47,677 evaluated species are under threat, including 21 per cent of mammals and 70 per cent of plants.[12] Up to 30 per cent of mammal, bird and amphibian species will be threatened with extinction this century. Marine species are under pressure from global warming, ocean acidification, pollution and overexploitation.[13] Targets set by the Convention on Biological Diversity for a significant reduction in the rate of biodiversity loss by 2010 and to protect 10 per cent of the world's forests will not be met. Since the majority of the world's poor live in rural areas and rely on local biological resources for their lives and livelihoods, the rate of biodiversity loss has a direct impact on the most vulnerable populations.

21. While there is a scientific and political consensus over the threat posed by climate change, remedial and mitigation efforts have been slow and inadequate. As at 31 March 2010, 114 countries had communicated their support of the Copenhagen Accord,[14] which includes a commitment to limit temperature rise to 2° C, national commitments by annex I parties to the United Nations Framework Convention on Climate Change on emissions reductions, a range of nationally appropriate mitigation actions by developing countries, establishment of a technology mechanism and reduction of emissions from deforestation and forest degradation (REDD-plus), and an immediate financial commitment by developed countries approaching $30 billion between 2010 and 2012, rising to $100 billion by 2020.

[11] Johan Rockstrom and others, "A safe operating space for humanity" *Nature*, vol. 461, No. 7263, pp. 472-475 (September 2009).

[12] International Union for the Conservation of Nature, "Extinction crisis continues apace", press release, 3 November 2009, available from www.iucn.org.

[13] *United Nations Environment Programme Yearbook 2010: New Science and Developments in our Changing Environment*.

[14] Report of the Conference of the Parties to the United Nations Framework Convention on Climate Change, fifteenth session, Copenhagen, 7-19 December 2009, decision 2/CP.15.

B. Progress in convergence of the three pillars

22. The core message of sustainable development is that the three pillars represent not three separate targets, but a single one, and that development is the midwife of sustainability, just as much as sustainability is the life support system for development. The goal, and indeed the ultimate test, of sustainable development is the convergence among the three trajectories of economic growth, social improvement and environmental protection.

23. Notwithstanding a few promising trends, the overall record fails to meet this test. The most promising trend is the improved convergence between the economic and social dimensions, and although this too is partially compromised by rising income inequality, the growth rate remains the strongest predictor of timely achievement of key social targets. Beyond this, most indicators of environmental improvement have not demonstrated appreciable convergence with those of economic and social progress; indeed, the overall picture is one of increased divergence, although a few positive developments can be applauded.

24. The slow progress can be attributed in part to the overall low consumption in developing countries, which will require increases in material consumption before reaching a stable level. Furthermore, while developed countries have succeeded in ameliorating some of the adverse impacts on the environment through higher application of chemical, mechanical or electrical energy (e.g., in treating polluted water bodies, expanding the use of recycling and reclaiming metals from waste), developing countries are handicapped in this regard because of the high costs and low availability of modern energy services.

25. Furthermore, these handicaps are situated within a number of persistent structural trends, which respond very gradually to policy intervention (demographics, urbanization, globalization, technological change and changes in national economic structures). Thus, while globalization has contributed to the rapid income growth and poverty reduction in emerging economies, it has also made it possible to shift environmental impacts across borders, thus rendering them resistant to national policy instruments. The de-coupling of production activity from environmental degradation in one country has often been produced by a shift of resource-intensive production to another country.

26. Finally, there is also a slippage in terms of the commitments to adopt integrated national policies, establish necessary coordinating institutions and provide international financial and technical support. These are covered in the following section.

C. Progress in fulfilling commitments

27. There are several critical gaps with regard to the fulfilment of national and international commitments, although a number of achievements have been made. While countries have expanded their menu of policy options, this has not led towards greater policy coherence. While integrated planning and policies and national sustainable development strategies have become acceptable, their impact remains limited because of ad hoc and inconsistent application. While important institutions have been established to promote or monitor the integrated pursuit of sustainable development, many have not received adequate support, some have

languished, and most have not been able to synergize well with complementary processes or institutions. While financial and other commitments of international support have been made, they have neither achieved greater coherence nor always been fully realized in practice. While the participation of major groups has become the norm, there is limited success in scaling up or replicating promising multi-stakeholder initiatives. Finally, while political commitment to addressing climate change has risen dramatically, it has not yet translated into concrete actions and results; this is in part because climate change has not been approached as an integrated sustainable development challenge.

28. The international consensus on sustainable development envisaged integrated decision-making at the national and local levels, in the form of national or local Agenda 21 processes and sustainable development strategies. While some of this has happened in practice, it has not yet taken a form that could promote convergence on a sustained basis. For example, as at 2009, 106 countries had reported that they were currently implementing a national sustainable development strategy, but these are rarely viewed as the principal vehicle for policy coordination. In practice, a number of coordinating and planning mechanisms have been used in developing countries, often in parallel, and with similar or overlapping tasks, including conventional development planning, poverty reduction strategy papers, United Nations Development Assistance Frameworks, national conservation strategies, national environmental action plans and others. These reflect not only the diversity of institutional arrangements but also differences in the understanding of what sustainable development means. The resulting proliferation undermines the very purpose of these mechanisms by weakening and fragmenting the efforts to introduce coherence. Thus, while it cannot be said that the commitment to prepare a national sustainable development strategy has been ignored, the action has not had the desired impact.

29. This is also true at local levels. In the immediate aftermath of the United Nations Conference on Environment and Development, there was considerable interest in local Agenda 21 processes. A report prepared by the International Council for Local Environmental Initiatives[15] in preparation for the Johannesburg World Summit on Sustainable Development in 2002, showed that 6,416 local governments in 113 countries had committed to the local Agenda 21 process by 2001, and of these 61 per cent had advanced to an action planning phase; almost all (89 per cent) had been developed with stakeholder involvement. No comparable survey has been undertaken recently, although anecdotal evidence does not indicate an equivalent level of activity or enthusiasm. The preparatory process for the United Nations Conference on Sustainable Development could reignite this enthusiasm, especially given that information and communications technologies have made possible global networking among local authorities, civil society organizations and other actors in a manner that would have been inconceivable 20 years ago.

30. Besides the formal Agenda 21 process, a number of cities and local governments have institutionalized integrated approaches to key issues (transport,

[15] International Council for Local Environmental Initiatives, "Second local Agenda 21 survey", background paper No. 15 submitted to the Commission on Sustainable Development acting as the preparatory committee for the World Summit on Sustainable Development, second preparatory session (DESA/DSD/PC2/BP15), available from www.iclei.org/documents/Global/final_document.pdf.

waste management, water and energy), with the support of the United Nations Human Settlements Programme and the regional commissions. In addition, several pro-poor initiatives have supported integrated sustainable livelihood approaches, and have received support from United Nations programmes and agencies (the United Nations Development Programme (UNDP), the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development and the regional commissions) as well as bilateral donors. Several pro-poor programmes (for example, the Rural Support Programme Network in Pakistan, the Bangladesh Rural Advancement Committee and Grameen in Bangladesh, Bolsa Familia in Brazil, Programa de Educación, Salud y Alimentación in Mexico, and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in India) have adopted an integrated sustainable development perspective in their operations. All these have reached national scales in their home countries, but the key challenge remains wider replication and adaptation of such successful experiences. More importantly, there is a lack of a proper framework for vertical integration between local and national processes. Even the prominent local Agenda 21 processes are barely reflected in national processes.

31. There has also been a lag in the actualization of the international support needed for such initiatives. The United Nations Conference on Environment and Development was not only a significant milestone in setting the agenda for sustainable development; it also established a new framework for international cooperation, which received a further impetus from the emphasis placed by the World Summit on Sustainable Development on implementation and partnerships, and which has extensive symbioses with other global events, including the Millennium Summit (2000), the International Conference on Financing for Development (2002), the Global Conference on the Sustainable Development of Small Island Developing States (Barbados, 1995) and the International Meeting to Review the Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (Mauritius, 2005).

32. As vulnerable developing countries grapple with the effects of multiple crises, and as the threat of climate change looms on the horizon, the international community's commitment to international cooperation needs to be reinforced. The donor community needs to meet its commitments in respect of financing and investment support for development by ensuring that already agreed official development assistance (ODA) commitments are met, and the support is adequate, sustained, focused and predictable in order to be able to make a difference.[16]

33. Recent literature and policy discussions within some donor countries have also begun to focus on the question of coherence between development cooperation policies and other international policies, especially those pertaining to trade, investment, debt, environment, security and migration. Failure to reach agreement in the Doha Development Round of multilateral trade negotiations represents a continuing challenge to international cooperation, as does the inability to deliver on the Heavily Indebted Poor Countries initiative in support of heavily indebted poor countries, and on support for climate change adaptation and mitigation actions in developing countries.

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[16] See *Millennium Development Goal 8: Strengthening the Global Partnership for Development in a Time of Crisis*, MDG Gap Task Force Report 2009 (United Nations publication, Sales No. E.09.I.8).

34. Moving the global development agenda forward requires strong and innovative partnerships. Development cooperation these days is multifaceted. It incorporates North-South flows of ODA, South-South cooperation, and the role of very large scale philanthropic initiatives, vigorous civil society involvement and the role of the private sector. It is equally important to build strong partnerships within the United Nations development system, because each United Nations organization has something special to offer to advance the implementation of the global development agenda.

D. Progress in a longer-term context

35. Every small step towards sustainable development is of value, but each step needs to be assessed in relation to the scale of the longer-term challenge, especially in the light of emerging challenges. The ultimate goal of sustainable development is steady progress towards a future of universally shared human well-being and prosperity within the finite resources of the planet. Sustainable development is based on the knowledge that there is an ultimate limit to the growth of material consumption, but no limits to improvements in quality of life, prosperity or social well-being. The urgent goal is to achieve the development transition — to raise the living standards of poor countries and households, which will need an increase in material consumption to meet their basic needs — before critical planetary boundaries are crossed. This means, in effect, accelerating the growth in living standards of the poor, while decelerating or reversing the impact — in particular of high-income consumers — on the natural resources of the planet.

36. In order to assess the progress thus far in the context of this long-term challenge, it is useful to think of sustainable development as three intertwined "transitions":

(a) *Demographic*. The ultimate goal is to stabilize the global population. This transition is roughly at the two-thirds mark. The global population will increase from its current level of 6.5 billion to stabilize between 8 and 10 billion during this century;

(b) *Developmental*. The ultimate goal is to extend the benefits of development equitably to all segments of the global society. This transition has picked up speed since the United Nations Conference on Environment and Development, but it is at best at the one-third mark of the ultimate target, given that the share of the global population with a high human development index is between only 25 and 30 per cent. Some uncertainty has been created by the recent crises, as well as by the threat of climate change;

(c) *De-coupling*. The ultimate goal is to ensure that the use of materials and the generation of wastes is within the regenerative and absorptive capacities of the planet. While it is difficult to predict the planetary boundaries precisely, the goal is to ensure that the peak in human consumption is reached before such boundaries become binding. The recent crises and fresh scientific analysis suggest that the boundaries might have moved closer; this implies additional efforts both to accelerate the development transition and to de-couple resource use from consumption and production.

E. Addressing new and emerging challenges

37. In 2008 a series of crises hit the global economy, including a rapid escalation of food prices, unprecedented volatility in energy prices, the unfolding of the financial crisis in some developed countries, and the ensuing global recession. In addition, new evidence emerged to suggest that climate change was a more imminent danger, and also that a number of other environmental trends had worsened far more rapidly than anticipated and that some planetary boundaries might even have been exceeded. All countries are vulnerable to these crises, but they differ widely in their ability to cope with the risks and shocks inherent in them. Challenges have been exacerbated in developing countries by poverty, competition for scarce resources, the rapid pace of rural/urban migration, and the concomitant challenges to provide food, infrastructure and access to basic health, water and energy services. This vulnerability was exposed most tragically in the recent earthquakes. Besides the loss of human lives, the development agenda was set back by many years, additional pressures on the environment were generated, and the potential for other unanticipated consequences (such as involuntary migration) was enhanced.

38. To use a cliché, these challenges have created threats as well as opportunities. On the one hand, they lend urgency to the pursuit of all three dimensions of sustainable development — not only to the environmental dimension. On the other hand, the challenges have created a more prominent role for global and national public policies.

39. Billions of people remain poor and their living standards must rise. The question is whether the development transition can be completed (as indicated, for example, by near universal attainment of a threshold level of human development and well-being) before resource depletion and environmental degradation short circuit the process. That depends in part on developed countries blazing the trail towards a de-coupling (or sustainable consumption and production) transition, and in part on developing countries pursuing a sustainable development transition.

40. The practical importance of sustainable development thinking for development policy has been diluted by the still common perception that, even if, in theory, limits are real, in practice they are sufficiently remote in time and malleable as to be ignored in practice. More than anything else, climate change has begun to challenge such complacency.

41. The sustainable development challenge posed by climate change illustrates well the importance of a holistic response from the international community. As argued in a report to the General Assembly at its sixty-fourth session (A/64/350), the response to the climate change threat must have multiple prongs: strongly addressing the mitigation challenge head on in ways that are supportive of sustainable development; promoting inclusive economic growth in developing countries as a key means of building resilience and adaptive capacities; urgently increasing international financial and technical support for the adaptation of developing countries, especially vulnerable countries; strengthening institutions at the local level to manage resource scarcities and environmental stresses peacefully; and strengthening the United Nations and other international institutions to be able to provide effective humanitarian, reconstruction and development support to countries faced with climate-related disasters and longer-term impacts.

42. Inclusive economic growth remains the only known route out of poverty for developing countries — as it was for developed countries — and continues as a centrepiece of development thinking and practice. What sustainable development thinking has added is the appreciation that this growth should be situated within the overall capacity of the Earth's ecosystems and life-support systems. This suggests two corollaries: firstly, that necessary growth in material consumption (e.g., that which is needed to eradicate poverty, achieve and exceed the quality of life targets and extend the benefits of development universally) be completed within the available resource window; and secondly, that further growth in economic well-being be oriented in such a way as to remain within the regenerative and absorptive capacity of the planet.

IV. The green economy in the context of sustainable development and poverty eradication

43. The concept of the green economy is one of the several mutually complementary constructions that have emerged in recent years to enhance convergence between the different dimensions of sustainable development. Other constructions include national sustainable development strategies, the Millennium Development Goals, integrated policy and planning (especially in key sectors), sustainable livelihood and pro-poor approaches, sustainable urban management, and sustainable consumption and production.

44. The green economy approach seeks, in principle, to unite under a single banner the entire suite of economic policies and modes of economic analyses of relevance to sustainable development. In practice, this covers a rather broad range of literature and analysis, often with somewhat different starting points. In terms of starting point, four different strands can be identified, representing slightly different modes of economic analysis. One strand approaches the question through the analysis of market failure and the internalization of externalities. Another takes a systemic view of the economic structure and its impact on relevant aspects of sustainable development. A third focuses on social goals (jobs, for example) and examines ancillary policies needed to reconcile social goals with the other objectives of economic policy. Finally, a fourth strand focuses on the macroeconomic framework and development strategy with the goal of identifying dynamic pathways towards sustainable development. While each of these is partial to particular sets of policy instruments, they can basically be grouped into a few categories:

(a) Getting prices right, including removing subsidies, valuing natural resources and imposing taxes on things that harm the environment (environmental "bads") in order to internalize externalities, support sustainable consumption and incentivize business choices. It builds upon some of the earliest writings in environmental economics;[17]

(b) Public procurement policies to promote greening of business and markets;

[17] Especially David Pearce, Anil Markandya and Edward B. Barbier, *Blueprint for a Green Economy* (London, Earthscan, 1989).

(c) Ecological tax reforms,[18] based mainly on the experience of European countries. The basic idea is that shifting the tax base away from "good" factors of production such as labour to "bad" factors such as pollution will allow for a double dividend: correcting environmental externalities while boosting employment;[19]

(d) Public investment in sustainable infrastructure (including public transport, renewable energy and retrofitting of existing infrastructure and buildings for improved energy efficiency) and natural capital, to restore, maintain and, where possible, enhance the stock of natural capital. This has particular salience within the current recessionary context, given the need for public expenditure on stimulus packages;

(e) Targeted public support for research and development on environmentally sound technologies, partly in order to compensate for private underinvestment in pre-commercial research and development, and partly to stimulate investments in critical areas (such as renewable energy) with potentially high dynamic scale economies, and partly to offset the bias of current research and development towards dirty and hazardous technologies;

(f) Strategic investment through public sector development outlays, incentive programmes and partnerships, in order to lay the foundation of a self-sustaining process of socially and environmentally sustainable economic growth;

(g) Social policies to reconcile social goals with existing or proposed economic policies.

45. Broadening the concept of the green economy to make it applicable to sustainable development and poverty eradication will need to address the concerns that imposing a green economy model could actually slow the development process. This could require the identification of ancillary policies and instruments, including safeguards, safety nets, targeting, capacity-building and requisite international support. Put simply, the question is how would a "green economy" or "green growth" contribute to accelerating the development transition.

46. In order to provide a background for the next phase, it is useful to describe the four major strands of analysis undertaken by the United Nations system on the green economy. Firstly, there is the pioneering contribution from the Economic and Social Commission for Asia and the Pacific (ESCAP), which resulted in the adoption of a green growth strategy in 2005. The strategy included four tracks: sustainable consumption and production; greening business and markets; sustainable infrastructure; and green tax and budget reform. Two additional tracks were inserted later, investment in natural capital, and eco-efficiency indicators. All these tracks were based on practical experiences or ongoing global processes. Some of the recommendations have been systematically taken up by the Republic of Korea in its green growth strategy.

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[18] Also called green tax and budget reform.

[19] In theory though, higher growth and employment are not automatic compared with the baseline situation, even for a revenue-neutral tax change. Indeed, in a dynamic framework the changes in the amount and type of capital that is accumulated owing to the tax shift can result in changes in productivity improvements over time that might dampen growth. In practice, the result of the tax reform on growth rates has to be assessed empirically.

47. The Republic of Korea was the first country to embrace green growth as a national strategy. Its green growth strategy focuses on three elements: industry, energy and investment. Specifically, it aims to (a) maintain productive economic activities while minimizing the use of energy and resources; (b) minimize environmental pressure in all uses of energy and resources; and (c) make investments in the environment a driver for economic growth. While the first two comprise the conventional notion of de-linking economic growth from resource extraction and environmental degradation, the third is a more strategic objective — one that is shared by other forward-looking Governments and corporations — that is, to be early movers in emerging global "green" industries and technologies.

48. A major recommendation of the green growth strategy relates to ecological tax reform. Like the remaining recommendations, this was based upon a review of experience, particularly in European countries (especially in the Scandinavian countries and Germany), where a gradual introduction of ecological taxes did not significantly dampen growth in gross domestic product (GDP), had positive but small impacts on employment, and was highly beneficial in terms of pollution reduction.[20] However, the application to developing countries and the incorporation of distributional concerns requires further study in country specific contexts. The net impact depends on such ancillary policies as the use of revenues from the tax,[21] or the targeting of taxes or subsidies. In Costa Rica, for example, a study finds a 10 per cent tax on gasoline to be progressive, but an equivalent tax on diesel to be regressive (since diesel is used heavily in public transport).[22]

49. The second strand was initiated by the United Nations Environment Programme (UNEP) in October 2008 under the title of the Green Economy Initiative.[23] Its aim is to assist Governments in reshaping and refocusing policies, investments and spending towards a range of sectors, such as clean technologies, renewable energies, water services, green transportation, waste management, green buildings and sustainable agriculture and forests. The initiative includes two major projects, namely the economics of ecosystems and biodiversity study (known as TEEB), and the global green new deal, which were a response to the global financial and economic crisis. The green economy report currently under preparation builds upon both these projects.

50. The economics of ecosystems and biodiversity study computed the (unpaid) environmental costs of the economic activities undertaken by the world's major firms and compared them with the profits of those firms at an aggregate level. The results suggest that a significant proportion of the world's biggest firms would be rendered unprofitable were they required to pay those environmental costs, and therefore that the structure of the economy with a price system that better reflected environmental and social costs would look very different from the existing one. However, in order to refine the intuition provided by the study results, new studies would be needed, on the one hand to incorporate developmental, social- and

[20] Roberto Patuelli, Peter Nijkamp and Eric Pels, "Environmental tax reform and the double dividend: a meta-analytical performance assessment", *Ecological Economics*, vol. 55, No. 4 (December 2005), pp. 564-583.

[21] Tim Callan and others, "The distributional implications of a carbon tax in Ireland", *Energy Policy*, vol. 37, No. 2 (February 2009), pp. 407-412.

[22] Allen Blackman, Rebecca Osakwe and Francisco Alpizar, "Fuel tax incidence in developing countries: the case of Costa Rica", Resources for the Future, discussion paper dp-09-37.

[23] www.unep.org/greeneconomy.

poverty-related goals explicitly, and on the other hand to assess general equilibrium outcomes of the price changes, by factoring in consumer responsiveness to price changes, scope for substitution and technological change.

51. UNEP's global green new deal made a case for directing economic stimulus spending of Governments towards green sectors and activities. The idea quickly emerged in multiple forums that "greening" stimulus packages could yield an additional dividend in the form of facilitating the transition of national economies to a greener path. It is too early to assess the impact of green stimulus packages on the structure of economies, jobs, productivity, resource use and pollution. While the proposals were meant to create jobs and pump spending into the economy quickly, green infrastructure investments tend to have long gestation periods. Much depends on the scale of interventions, absolutely and in relation to not-so-green stimulus spending like new and improved highways, and the presence or absence of economic linkages.

52. These considerations are also relevant to the third strand of the green economy analysis, which is represented in the contributions to the present report by the Department of Economic and Social Affairs, the United Nations Conference on Trade and Development and ESCAP. The logic of this approach derives not from the microeconomic analysis of internalizing externalities, but from a macroeconomic analysis of using public policies strategically to orient the process of economic growth towards sustainable pathways. For example, the work of the Department of Economic and Social Affairs on climate change and sustainable development[24] shows how infrastructure investment, especially in renewable energy, can bridge the current chasm between climate and development agendas. A big push on renewable energy can help not only by increasing energy access for the poor, but by helping to bring down the costs of renewable energy, thus making it affordable at market prices for poor countries and competitive with fossil energy. This follows a long line of development analysis, which assesses the role of investment in terms not only of its internal productivity but also of its backward and forward linkages and capacity to incentivize complementary investments. The Department of Economic and Social Affairs applies the same logic to the global response to the economic crisis, and stresses international cooperation to enable developing countries to create fiscal space to respond to the financial and economic crisis and to foster the transfer and scaling up of environmentally sound technologies.[25]

53. Another argument for targeted public investment is that the shift to a green economy or onto a green growth path requires major structural changes in energy and transport systems, which are infrastructure-dependent. Thus, the switch will need to involve close coordination between private investment in new industries and activities and public-supported investment in new infrastructure — for example for public transport, battery replacement of electric vehicles, smart grids and grid extension and upgrades to accommodate renewable sources, etc. Another area where public investment will be critical to green growth is in providing decent, affordable and environmentally friendly housing to accommodate rapidly growing populations of low-income households in the cities of the developing world.

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[24] *World Economic and Social Survey 2009: Promoting Development, Saving the Planet* (United Nations publication, Sales No. E.09.II.C.1), and the Department of Economic and Social Affairs "A global green new deal for climate, energy and development", technical note, December 2009.

[25] Department of Economic and Social Affairs Policy Brief, No. 12 (see footnote 10).

54. A fourth strand has been developed in the collaborative work of the International Labour Organization (ILO) and UNEP on "green jobs",[26] and the subsequent initiative by ILO to organize training courses and technical assistance on the issue. This strand is consistent with a longer history of economic analysis that focuses on the reconciliation of social and economic objectives. A classic reference in this regard is the United Nations Children's Fund (UNICEF) publication *Adjustment with a Human Face*,[27] which provided concrete examples of structural adjustment policies that were able to incorporate social concerns effectively. Other initiatives in this regard reverse the causality and examine how social initiatives could incorporate environmental objectives. These include, for example, the examination of the green jobs potential of government employment programmes (such as the Indian MGNREGA scheme) or stimulus programmes (such as the United States Recovery and Reinvestment Act).[28] While this work is promising, it is very preliminary and based on limited empirical evidence. Further work will be needed in the future.

55. More broadly, the fact remains that developmental and social dimensions, in particular poverty eradication, are not covered adequately in some of the policy prescriptions on the green economy. Although the prescriptions on internalizing externalities are consistent with economic theory, they can have adverse social impacts if they are not carefully designed; they will need to be complemented in most cases by additional demand and supply side policies, and could be difficult to implement without external support for capacity-building and establishing compensatory facilities.

56. Similarly, the recommendations of the economics of ecosystems and biodiversity study on valuation could, in principle, be tailored in such a way as to support poverty eradication, for instance by linking valuation of and payment for ecosystem services to community empowerment and protection of the poverty rights of poor communities. In practice, this is an additional component, which will have to be undertaken in earnest before some of the recommendations could be adopted. The REDD-plus approach in the context of climate change follows this logic.

57. In summary, "green economy" is an omnibus term, like sustainable development itself, which comprises a suite of economic instruments that could harness economic activity in support of one or more sustainable development goals. Like all economic instruments, the application of these instruments requires a careful understanding of the social, institutional and political context of the country, the availability or absence of international support, and a commitment to learning and adaptation. The foregoing discussion of the green economy and green growth points to some topics for consideration in the period leading up to the United Nations Conference on Sustainable Development, as follows:

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[26] UNEP, "Green jobs: towards decent work in a sustainable, low-carbon world" (September 2008).

[27] Giovanni Andrea Cornia, Richard Jolly and Frances Stewart, eds., *Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth* (New York, Oxford University Press, 2001).

[28] Robert Pollin, James Heintz and Heidi Garrett-Peltier, "The economic benefits of investing in clean energy: how the economic stimulus program and new legislation can boost U.S. economic growth and employment", study for the Green Economics Program, Political Economy Research Institute, University of Massachusetts, Amherst (June 2009).

(a) Firstly, greater conceptual clarity is needed with regard to the links between a green economy and sustainable development. In particular, there is a need to be explicit on the practical implications of the approach, namely the menu of policies and actions proposed under the banner of the green economy. This could be compiled in the form of a global online database of green economy and green growth policies, policy mixes, and analyses;

(b) Secondly, more analysis is needed on the developmental, social and distributional implications of each policy prescription, and on additional actions or interventions, including international cooperation, that would be needed to reconcile economic, social and environmental goals. Such analysis will need to be undertaken in specific national contexts, and could include scenario simulations for the transition to equitable, green, rapid and sustainable growth paths. Of particular importance is to explicitly include institutional conditions in the analysis, and to incorporate recommendations on institutional strengthening in the overall mix;

(c) Thirdly, besides national studies, some global modelling and scenario work would also be needed to assess national green economy and green growth policies in a global context, including interactions, for example through international trade, investment and technology transfer.

V. Institutional framework for sustainable development

58. A number of Member States have expressed their views on sustainable development governance in connection with the United Nations Conference on Sustainable Development, with one submission stating, for example: "The 2012 conference could aim at debating on governance through a reform of the institutions currently involved in the implementation of the sustainable development agenda in the United Nations system, with an emphasis on the Commission on Sustainable Development and UNEP. It can offer an important point of convergence for deliberation on the reform of the international institutions for sustainable development, while also catalysing high-level political commitment for the outcome".[29] Another submission placed emphasis on "achieving international agreements on sustainable development taking into account different international instruments".[30]

59. The present section provides an overview of the institutional architecture pertaining to sustainable development, its evolution over time, and the main lessons from this evolution, including areas of promise as well as challenge. The principal focus is at the international level, mainly on the mandates and objectives of the key entities of the United Nations with responsibility for sustainable development and its component economic, social and environmental pillars.

60. The United Nations Conference on Environment and Development energized the international community. The international community, in preparing for the United Nations Conference on Sustainable Development, now needs to re-energize.

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[29] Submissions by Member States for the report of the Secretary-General on the implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development (A/64/275) available from www.un.org/esa/dsd/resources/res_docugaecos_64.shtml, Brazil.

[30] Ibid., Colombia.

A key question is how to strengthen the institutional framework for sustainable development at all levels.

61. Over the years, a number of institutions have been formally established to enhance the convergence between economic, social and environmental goals. At the global level, the principal policymaking institution is the Commission on Sustainable Development. Among other contributions, the Commission has actively solicited the participation of major groups in policymaking and promoted a particular institutional form, multi-stakeholder partnerships, to implement sustainable development. Within the United Nations, the Executive Committee on Economic and Social Affairs has played a role in enhancing system-wide coherence over economic and social goals. Besides this, UN-Water, UN-Energy and UN-Oceans have been established to promote system-wide coherence in the areas of their competence. At the regional level, the regional commissions have organized ministerial conferences and implementation meetings. At the national level, a number of institutional formats have emerged, including national sustainable development councils, the process for national sustainable development strategies, and incorporation of sustainable development goals in other processes or institutions, including development plans, poverty reduction strategy papers and others. At local levels, local Agenda 21 processes were developed by local institutions and urban municipalities.

62. A major component of the discussion on institutional development has focused on the environmental pillar. The past four decades have seen significant changes in the nature and reach of environmental institutions, including the establishment of UNEP in 1972 and secretariats of a growing list of environmental conventions in the years thereafter. At the national level, the number of countries with environmental ministries and protection agencies increased rapidly after 1972. Many urban municipalities and local governments also established departments or agencies to look after environmental concerns. Finally, national and international environmental non-governmental organizations have grown dramatically in strength and size, many business entities have created environmental departments, and many new research and educational institutions have been established. This rate of institutional growth is faster than in the other pillars of sustainable development, namely economic development (in which much of the expansion and consolidation took place in the 1950s and 1960s), and the social pillar.

63. Yet, the proof of the pudding is in the eating. The test of institutional efficacy and relevance lies in the ability to demonstrate results. On this count, as indicated in the previous sections, there are several areas of concern. In particular, the evidence on environmental indicators continues to be below par, as does that on the convergence between the three dimensions of sustainable development. As mentioned, some of this inadequacy could be attributed to the inertia of the system or the urgency of other problems, especially poverty eradication and Millennium Development Goals. Yet, the key question is whether institutional or structural changes could help to accelerate the achievement of the sustainable development agenda in all three of its dimensions.

A. Commission on Sustainable Development

64. The Commission on Sustainable Development was created in December 1992 to ensure effective follow-up to the United Nations Conference on Environment and Development through monitoring and reporting on the implementation of the agreements reached at the Conference at the local, national, regional and international levels. Following the World Summit on Sustainable Development in 2002, the Commission was also charged with providing policy guidance to follow up on the Johannesburg Plan of Implementation.[31] The Commission is a functional commission of the Economic and Social Council, with 53 members.

65. The General Assembly has repeatedly emphasized (most recently in resolution 64/236) that the Commission on Sustainable Development should continue to be the high-level commission on sustainable development within the United Nations system and serve as a forum for consideration of issues related to the integration of the three dimensions of sustainable development.

66. In 2002, the World Summit on Sustainable Development called for a strengthened Commission on Sustainable Development to play a larger role in accelerating action at all levels in the implementation of Agenda 21 and the Johannesburg Plan of Implementation. Accordingly, at its eleventh session the Commission decided to function on the basis of two-year implementation cycles until 2016/17, including review and policy years. The review year was to evaluate progress made in implementing sustainable development goals and identifying obstacles and constraints, while in the policy year decisions would be made to speed up implementation and mobilize action to overcome obstacles and constraints. Moreover, a number of cross-cutting issues was agreed to be discussed together with the main themes identified for each cycle.

67. An important innovation that received recognition and impetus at the World Summit on Sustainable Development as an implementation tool and action-oriented outcome was the concept of partnerships for sustainable development. Since the Summit, over 360 such public-private partnerships have been registered with the secretariat of the Commission on Sustainable Development. At the request of Member States, partnership fairs have been organized during sessions of the Commission to allow the opportunity to discuss, review and monitor the contributions of registered partnerships to the implementation of sustainable development. The time has come to take this idea to a higher level by assessing achievements, identifying lessons and best practices as well as obstacles and constraints, and exploring views on replicability, scaling up and adaptation.

68. Since the adoption of the multi-year programme of work, the Commission on Sustainable Development has embraced several innovations. These include an enhanced role for regional and subregional institutions; sharing of best practices and lessons learned (e.g., through partnership fairs and learning centres); promoting greater collaboration between the United Nations system and other institutions and networks; strengthening engagement with the major groups; promoting partnership initiatives between Governments, major groups and other stakeholders; and the

[31] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

introduction of multi-stakeholder dialogues to generate action in support of implementation.

69. Despite these reforms and their positive outcomes, there is an interest in seeking to find out whether explicit changes to the institutional framework for sustainable development would help in bringing about greater coherence between the different goals. A number of suggestions along these lines have been made[32] by Governments and stakeholders for an overhaul of the international sustainable development architecture, including such proposals as transforming the Commission on Sustainable Development into a sustainable development council under the General Assembly; converting the Trusteeship Council into a sustainable development council; and initiating a sustainable development segment as part of the annual sessions of the Economic and Social Council.

70. Since several different proposals are already in the public domain, the present report will not go into details of their advantages and disadvantages. Instead, the following points attempt to bring the discussion back to the underlying issues. One major goal is to clarify that sustainable development is not restricted to the environmental pillar, and therefore that the test for sustainable development lies in the extent to which its three components are brought together. The global community should avail itself of the opportunity offered by the United Nations Conference on Sustainable Development to examine thoroughly how the different functions involved in the integration of the different components of sustainable development can be performed most effectively. Some of these will indeed require institutional changes, but others could be addressed through interventions within existing institutional formats.

71. *Strengthening coherence at national levels*. A significant component of the challenge of integrating economic, social and environmental goals pertains to the national level. This can be encouraged, for example, through the revival of national sustainable development councils, which would help to engage a broader range of ministries and stakeholders from each country. This would require dedicated financial support and capacity-building for developing countries, which could be advanced through existing United Nations channels, by the United Nations Development Group, for example, which could provide guidance at the country level not only on sectoral issues (as at present) but on the integrated agenda of sustainable development.

72. *System-wide ownership*. Another major component is taken up by international organizations. Their effective participation in the Commission on Sustainable Development process is required to ensure that decisions taken by the Commission are reflected in the work programmes of their organizations. A number of actions could help to promote such active engagement. Some initiatives are already under way and could be assessed over the next two years (for example, inviting Chairs of governing bodies of United Nations entities to Commission on Sustainable Development meetings). Besides this, there may be a justification for an ongoing process linking the decisions of the Commission to the work programmes of the United Nations entities.

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[32] Stakeholder Forum for a Sustainable Future "International governance for sustainable development and Rio+20: initial perspectives", discussion paper 1, February 2010.

73. *From policy to implementation*. Ideally, the integrative role of the Commission on Sustainable Development with regard to the three dimensions of sustainable development should not end with the adoption of a decision, but should result in actions by implementing partners, especially Governments, reflected in their national or institutional plans. A number of options have been floated on this question, including dedicating one day during the high-level segment of the Commission's policy year as implementation day, for sharing and reporting information on how decisions made during the previous cycle have been included in national development plans.

74. *Mobilizing major groups*. The Commission on Sustainable Development process is still recognized as the most interactive and inclusive process within the United Nations system, allowing for active civil society engagement. In recent years, close to 1,000 representatives of 9 major groups have pre-registered for Commission on Sustainable Development sessions, and several hundred participate actively in the process. Accelerating implementation at the country level, however, requires, in addition to current efforts, engaging with many international intergovernmental and non-governmental organizations that are managing large-scale implementation of sustainable development projects. Thus, broadening the base of participation by major groups in the Commission on Sustainable Development process is considered important.

75. *Partnerships*. Since the World Summit on Sustainable Development, the Commission on Sustainable Development has played an important role in facilitating partnerships among Governments, major groups and other national and international institutions with the objective to implement decisions of the Commission on the ground. This experience needs to be taken to the next stage, for which several options are being floated, including dedicated partnerships (or partnerships of partnerships) for each set of policy decisions.

B. Broader sustainable development processes

76. The apex of the global institutional architecture for all three United Nations goals (peace, development and human rights, which together bear a strong overlap with the three dimensions of sustainable development) remains the General Assembly. The Assembly, with its universal membership of 192 States, one-nation-one-vote governance structure and broad mandate, enjoys a unique representativeness and legitimacy. The Assembly has consistently taken a forward-looking position on the sustainable development agenda; it mandated the United Nations Conference on the Human Environment (1972), the United Nations Conference on Environment and Development (1992), the special session of the General Assembly to review and appraise the implementation of Agenda 21 (1997), the World Summit on Sustainable Development (2002) and the United Nations Conference on Sustainable Development (2012). It established the World Commission on Environment and Development in 1983, and enshrined the concept of sustainable development as internationally agreed language. The outcomes of the United Nations Conference on Sustainable Development will be endorsed by the General Assembly at its sixty-seventh session, and through the Assembly the outcomes should set a global standard for national legislation on sustainable development.

77. The General Assembly is the ultimate convergence point for legislative outcomes from the three individual pillars of sustainable development. Under the Johannesburg Plan of Implementation (para. 143), the Assembly was tasked with giving "overall political direction to the implementation of Agenda 21 and its review". One question for consideration is whether further action may be needed to ensure that matters related to the three pillars of sustainable development come before the Assembly in an integrated form, instead of (or in addition to) as isolated strands.[11]

78. Similarly, the Economic and Social Council has a mandate to integrate the three strands of sustainable development. Special integrative sessions of the Council have been held, such as the 2007 substantive session devoted to the theme of sustainable development. However, the main theme of the Council varies greatly from year to year and sustainable development in its broad sense as defined in Agenda 21 is not taken up every year. Once again, a question has been raised whether the Council should institute an integrative debate on sustainable development during its general segment or limit its review to separate reports from the three pillars.

C. International environmental governance and governance of the economic and social pillars of sustainable development

79. The motivation for the discussion on international environmental governance and on institutions for sustainable development is the same, namely the need for a more effective deployment of resources to address unprecedented environmental change at all levels and its potentially negative implications for economic and social development, especially for the poor and vulnerable groups in society. There has also been a call for greater coherence in the work of the United Nations on sustainable development. The international environmental governance discussion has been pursued at a number of intergovernmental platforms convened by UNEP, which is mandated by the General Assembly to oversee the implementation of the environmental agenda of the United Nations system. In February 2010, a consultative group of ministers and high-level representatives presented to the UNEP Governing Council, at its eleventh special session, a set of options for improving international environmental governance (UNEP/GCSS.XI/4, annex).

80. The consultative group identified five objectives for strengthening international environmental governance: creating a strong, credible and accessible science base and policy interface; developing a global authoritative voice for environmental sustainability; achieving effectiveness, efficiency and coherence within the United Nations system; securing sufficient and predictable funding; and ensuring a responsive and cohesive approach to meeting the needs of countries. The options for incremental reform are outlined in paragraph 12 of the Group's report (UNEP/GCSS.XI/4, annex), and the options for broader reform are given in paragraph 13.

81. A number of Member States expressing views on the United Nations Conference on Sustainable Development have also referred to international environmental governance, saying that 40 years after the United Nations Conference on the Human Environment in Stockholm, when UNEP was created, "there is an opportunity to seek political impetus from the highest level for a strengthened

international institutional structure for environmental governance".[33] Some emphasized the need to integrate international environmental governance with two other pillars of sustainable development.[34]

82. A particular question in the international environmental governance process, namely cooperation with other intergovernmental bodies, has been a standing topic in both the Commission on Sustainable Development and the UNEP Governing Council. The recent developments in the area of international cooperation have centred on the further development of international law, in particular for addressing climate change, biodiversity and chemicals. The Joint Liaison Group of the Convention on Biological Diversity, the United Nations Convention to Combat Desertification and the United Nations Framework Convention on Climate Change is intended to ensure inter-secretariat and programme coordination, as well as coordination of legislative processes and coordinated follow-up of legislative outcomes. Some lessons from the positive synergies achieved in the work under the three chemical conventions (the Stockholm Convention on Persistent Organic Pollutants, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade) could be useful.

83. Such questions of cooperation extend beyond formal convention processes. The United Nations system has established a number of soft law instruments of a non-binding nature, which sometimes evolve into binding agreements. Examples include the International Undertaking on Plant Genetic Resources and the Global Plan of Action for Animal Genetic Resources, both under FAO, and the Global Programme of Action for the Protection of the Marine Environment from Land-based Activities, managed by UNEP.

84. An example of a non-binding instrument that has laid the groundwork for a comprehensive approach in a critical sector emerged from Economic and Social Council resolution 2000/35 establishing the United Nations Forum on Forests, a subsidiary body with the main objective to promote "... the management, conservation and sustainable development of all types of forests and to strengthen long-term political commitment to this end", based on the Rio Declaration on Environment and Development,[35] the Non-Legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests (Forest Principles),[36] and chapter 11 of Agenda 21.[37] The resolution led to the establishment of the Collaborative Partnership on Forests, an innovative partnership of 14 major forest-related international entities to support the Forum and its member States; and in 2007 the landmark non-legally binding instrument on all types of forests was adopted by the Forum at its seventh session and by the General Assembly (resolution 62/98). Recent developments have created significant opportunities for cooperation. One possibility is a joint work programme around REDD-plus with the

[33] Submissions by Member States (see footnote 28), Indonesia.

[34] Ibid., especially mentioned by South Africa and Switzerland.

[35] *Report of the United Nations Conference on Environment and Development*, resolution 1, annex I.

[36] Ibid., annex III.

[37] Ibid., annex II.

United Nations Framework Convention on Climate Change secretariat, UNEP and the Global Environment Facility.

D. Sectoral coordination and consultation mechanisms

85. Sectoral coordination and consultation mechanisms in the economic, social and environmental areas have existed in the United Nations system since the 1950s under the principal inter-agency coordination mechanism at the level of executive heads, the Administrative Committee on Coordination, renamed the United Nations System Chief Executives Board for Coordination in 2000. Under the Chief Executives Board, cross-sectoral coordination is undertaken by the High-level Committee on Programmes, comprising senior programme managers below the level of executive head. In the wake of the 2000 reform of the Administrative Committee on Coordination, designed to create a lighter standing structure with more time-bound ad hoc task forces on specific issues, only three standing sectoral bodies emerged, taking over the mantle of earlier subcommittees of the Committee with similar sectoral mandates: UN-Water, UN-Energy and UN-Oceans, which deal with specific aspects of sustainable development.

86. Other system-wide coordination mechanisms of note include the Executive Committee on Economic and Social Affairs, headed by the Under-Secretary-General for Economic and Social Affairs, the United Nations Development Group, headed by UNDP, and the Environmental Management Group, headed by UNEP.

87. For a wide range of sectors under Agenda 21, no sectoral mechanisms exist and the specific multisectoral Administrative Committee on Coordination mechanism on sustainable development, with its task manager system, was disbanded as part of the 2000 reform, purportedly in the interests of streamlining and simplification. Inter-agency cross-sectoral coordination on sustainable development, beyond water, energy and oceans, has clearly suffered as a result. The United Nations Conference on Sustainable Development should consider the utility of creating a new inter-agency mechanism to ensure future coordination on sustainable development.

E. National and local processes and institutions

88. Progress towards sustainable development needs to be supported by institutional reform not only at the global level but also at the national level. As a result of large variations in history, overall institutional capacity and sustainable development challenges and priorities, a common blueprint for an institutional foundation of sustainable development at the national level is neither beneficial nor feasible. Appropriate institutional structures will need to take shape based on local realities, though there is certainly scope for sharing experiences across countries and localities with similar characteristics and challenges.

89. National councils for sustainable development have been a major institutional innovation, bringing non-governmental stakeholders directly into policy consultations and decision-making processes. For a number of reasons that would be worthwhile exploring, however, many national councils have ceased to function. Revitalizing them could be part of the efforts aimed at strengthening institutional development at the national level. In doing so, establishing clear mandates and

effective coordination with traditional decision-making processes is important. Having them co-chaired by lead economic or development ministries could help bring them into the mainstream of decision-making. The selection of stakeholders and their representatives is a key element for the national councils for sustainable development, as it is important to ensure that the views and interests of stakeholders that cannot easily organize themselves are adequately reflected. Revitalized councils could be tasked with following up on the implementation of decisions of the Commission on Sustainable Development, and reporting back to the Commission on the progress made.

90. National sustainable development strategies are another key institutional issue for sustainable development. In many countries, they are the result of gradual reform of existing institutions. In the absence of planning processes or in cases where these were ineffective, the establishment of new processes for sustainable development strategies was helpful. It should be underscored that a national sustainable development strategy is a process requiring continuous learning. Within the context of these strategies, establishing effective coordination mechanisms within the Government is an important institutional aspect. The establishment of inter-ministerial councils and working groups led by a central agency (the offices of the prime minister or president or the ministries of finance or planning) has often been found effective. Finding institutions for increasing vertical coherence between national and subnational levels, however, is generally less developed. Another institutional aspect of national sustainable development strategies is the need to find mechanisms for reviewing existing strategies, such as internal and external expert reviews, international peer or shared learning processes and reviews by established official institutions.

91. Another institutional challenge for a national sustainable development strategy relates to the fact that sustainable development reflects many different scales. National strategies and policies may have impacts on other countries and on regional and global commons. These need to be adequately considered and addressed in national processes, including through external peer review. The participation of representatives of developing countries in the process of reviewing national sustainable development strategies in developed countries over the past years could be seen as a step in this direction. Further strengthening participatory processes for sustainable development also requires that improving transparency and access to information be continued. In this regard, harnessing advances in information and communications technologies could be instrumental.

F. Knowledge-creating and knowledge-sharing institutions

92. The spread of the Internet has made available to people around the world an abundance — if not always a wealth — of information on a virtually unlimited variety of topics, including sustainable development. The proliferation of information sources and the ease of information access have rendered the task of organizing and consolidating useful information and knowledge on sustainable development both difficult and urgent.

93. While a significant body of knowledge has emerged on the concept and practice of sustainable development, much of this information is fragmented and it is often not available in a form that is convenient for policymakers and practitioners.

For example, while analytical tools and methods relevant to addressing sustainable development issues such as life-cycle thinking, environmental valuation, ecosystem services and other matters have been developed, they tend not to have reached the policy level, although there are noteworthy exceptions.[38]

94. Similarly, the practical knowledge that has accumulated since the United Nations Conference on Environment and Development in Rio de Janeiro in terms of policies and institutions that work has not been used as systematically as it could have been for the benefit of policymaking. This is in part due to the absence of sustainable development as a recognized knowledge category, which has made knowledge relevant to sustainable development fragmented and hard to find.[39] A visit to leading knowledge sites (such as Wikipedia) demonstrates such fragmentation. The entries on sustainable development are not connected to others and do not give the impression of a framework for integration. Journals and books on sustainable development are mostly about one of its pillars, the environment.

95. Overcoming these barriers would require, in addition to addressing institutional issues, advances in several directions. Firstly, the web-based information on sustainable development needs to be organized and made available to the policymaking and other communities in coherent and user-friendly forms. Secondly, it is necessary to build relations among existing networks working on sustainable development and make their activities more visible to policymakers. Those could contribute to a third undertaking: documenting success stories, best practices and evaluations of policies and programmes in the sustainable development domain and making them available in web-based, user-friendly form. Most importantly, a synthesis of the accumulated knowledge on sustainable development over the past two decades, in the form of a dynamic stocktaking exercise, could be undertaken with the objective of providing a sound basis for thinking ahead on how to address sustainable development challenges in the twenty-first century.

96. At the level of the United Nations, it would be important to encourage and support stronger links of the sustainable development science and policy research communities both with the Commission on Sustainable Development and with other institutions and processes (the Economic and Social Council for example). The Sustainable Development Knowledge Partnership, which includes a wide range of policy research institutions, is a notable example of a concrete initiative to enable the Commission to inform and be informed by the knowledge of major groups. The United Nations Conference on Sustainable Development will provide an opportunity to seek ways to strengthen knowledge creation and sharing with all major groups with a view to ensuring wise sustainable development decision-making and governance at the local, national, regional and global levels.

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[38] David Glover, *Valuing the Environment: Economics for a Sustainable Future* (Ottawa, International Development Research Centre, 2010).

[39] On the other hand, a growing number of institutions of higher learning are establishing degree programmes or schools devoted to the study of sustainability or sustainable development.

VI. The way forward

97. Sustainable development is a bridge between different goals, countries, stakeholder groups, knowledge systems and generations. It promises not only harmonization between the economic, social and environmental dimensions, but also a reasoned basis for international cooperation, a mechanism to engage the private sector and civil society, a means of placing scientific knowledge in the hands of policymakers and local communities, and a way of expressing our responsibility towards future generations. At its advent, it created tremendous excitement and mobilized the energies of a vast range of stakeholders. The present report offers a balanced assessment of the history since 1992, which provides important pointers to issues that may need attention. Today, as the challenges have become more urgent, the world is again in need of the "spirit of Rio". The United Nations Conference on Sustainable Development offers a chance to revive the enthusiasm and the energy by showing how to build upon the foundation that was laid in Rio de Janeiro in 1992.